

EXHIBIT C



B3-5.1-01, General Requirements for Credit Scores (10/05/2022)

Introduction

This topic describes Fannie Mae's requirements for borrower credit scores, including:

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Credit Score Versions

Credit scores are required for most loans purchased or securitized by Fannie Mae. The classic FICO credit score is produced from software developed by Fair Isaac Corporation and is available from the three major credit repositories. Fannie Mae requires the following versions of the classic FICO score for both DU and manually underwritten mortgage loans:

- Equifax Beacon® 5.0;
- Experian®/Fair Isaac Risk Model V2SM; and
- TransUnion FICO® Risk Score, Classic 04.

The lender must request these FICO credit scores for each borrower from each of the three major credit repositories when they order the three in-file merged credit report. If the borrower's credit file includes complete and accurate information to ensure the validity of the credit score, the lender does not need to further evaluate the borrower's creditworthiness.

Note: The credit report will indicate if a credit score could not be produced due to insufficient credit. The credit report must be maintained in the loan file, whether the report includes traditional credit and a credit score or indicates that a credit score could not be produced due to insufficient or frozen credit.

Minimum Credit Score Requirements

The following table describes the minimum credit score requirements and how to determine the loan-level credit score that applies to loan eligibility.

Transaction Type	Minimum Credit Score
<p>Manually underwritten loans</p>	<p>The requirements are published in the Eligibility Matrix and are based on the credit score and the highest of the LTV, CLTV, or HCLTV ratios (as applicable); loan purpose; number of units; amortization type; and DTI ratio. To determine the credit score that applies for loan eligibility, use the following:</p> <ul style="list-style-type: none"> Loans with one borrower - representative credit score, Loans with more than one borrower - average median credit score. <p>The minimum credit score that applies for loan eligibility is:</p> <p>620 — fixed-rate loans</p> <p>640 — ARMs</p>
<p>DU loan casefiles</p>	<p>DU will determine whether the minimum credit score is met using the following:</p> <ul style="list-style-type: none"> Loan casefiles with one borrower - representative credit score, Loan casefiles with more than one borrower <ul style="list-style-type: none"> the representative score for RefiNow loans and loans that require a minimum credit score other than 620 (such as loans with multiple financed properties); or average median credit score. <p>The minimum credit score that applies to eligibility of the loan casefile is:</p> <p>620 — fixed-rate loans and ARMs</p>
<p>Mortgage loans insured or guaranteed by a federal government agency (HUD, FHA, VA, and RD)</p>	<p>The minimum representative credit score is 620.</p>
<p>Loans delivered pursuant to any variance contained in the Lender Contract</p>	<p>Manually underwritten loans: Higher of 620 representative credit score or average median credit score, as applicable, or the minimum representative credit score required by the variance.</p> <p>DU loan casefiles: Higher of 620 based on the score used by DU or the minimum representative score required by the variance.</p>

Exceptions to the Minimum Credit Score Requirement

Certain transactions are not subject to the minimum credit score requirement, including:

- loans where no borrower has a credit score (see Section B3–5.4, Nontraditional Credit History);
 - manually underwritten HomeReady mortgage loans that include a borrower with a low credit score (see [B5-6-02, HomeReady Mortgage Underwriting Methods and Requirements](#)); and
 - high LTV refinance loans, except for those loans underwritten using the Alternative Qualification Path.
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DU Credit Score Requirements

Credit scores are not an integral part of DU's risk assessment because DU performs its own analysis of the credit report data. However, lenders must request credit scores for each borrower from each of the three credit repositories when they order the three in-file merged credit report, described in [B3-5.2-01, Requirements for Credit Reports](#). If one or two of the credit repositories do not contain any credit information for the borrowers who have traditional credit, the credit report is still acceptable as long as

- credit data is available from one repository,
- a credit score is obtained from that repository, and
- the lender requested a three in-file merged report.

Note: When a loan casefile is submitted to DU for a borrower with a credit score, but only medical tradelines are reported on the credit report, the loan casefile will receive an Out of Scope recommendation. The lender can manually underwrite the loan casefile in accordance with the *Selling Guide*.

If the transaction does not meet the above requirements, refer to Section B3–5.4, Nontraditional Credit History, for underwriting and eligibility requirements for DU loans in which one or more borrowers do not have a credit score.

Frozen Credit Requirements

If the borrower's credit information is frozen at one of the credit repositories for borrowers who have traditional credit, the credit report is still acceptable as long as

- credit data is available from two repositories,
- a credit score is obtained from at least one of those two repositories, and
- the lender requested a three in-file merged report.

Loans for borrowers with credit data frozen at two or more of the credit repositories will not be eligible whether underwritten manually or in DU.

Delivery of Credit Scores

Loan Delivery collects credit score data for each borrower and also at the loan level. Lenders are required to deliver the representative credit score for all loans. This applies even if the average median credit score is used for loan eligibility and may result in delivery of loans with

Loan-Level Price Adjustments Based on Credit Score

Loan-level price adjustments (LLPAs) are assessed based on the representative credit score for the loan, in addition to other eligibility and loan features. See the [Loan-Level Price Adjustment \(LLPA\) Matrix](#) for additional information about LLPAs, including information about how LLPAs are assessed for loans that include borrowers without a credit score.

Recent Related Announcements

The table below provides references to recently issued Announcements that are related to this topic.

Announcements	Issue Date
Announcement SEL-2022-09	October 05, 2022
Announcement SEL-2021-08	September 01, 2021
Announcement SEL-2020-04	August 05, 2020
Announcement SEL-2019-07	August 07, 2019